

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Disposal of Personal Property

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Purpose

To establish a policy regarding the disposal of County owned surplus personal property and other personal property under the custody of the County; to ensure that sales are conducted in an open, competitive environment and that maximum public exposure to the disposal process is accomplished; to minimize disposal costs and assure that revenue from sales is maximized and obtained in a timely manner.

Background

The disposal of County owned personal property considered scrap and/or surplus to the County's needs is normally accomplished by the Purchasing Agent in accordance with Section 422 of the Administrative Code of the County of San Diego. It is financially advantageous to the County to dispose of scrap and/or surplus personal property in a manner which maximizes revenue and converts idle equipment and materials to revenue expeditiously, thereby recovering funds for other uses.

Policy

The policy shall apply to all sales of scrap and/or surplus County owned personal property, including lost or abandoned personal property and forfeiture program assets, federal and state grant personal property when authorized by the grantor, and private personal property entrusted to County officials for disposition unless otherwise excepted. Therefore, it is the policy of the Board of Supervisors that:

1. General. Elected officials, department heads and staff responsible for County owned personal property shall continually monitor the use of fixed assets, minor equipment, supplies and materiel to ensure that personal property, when no longer needed or not utilized as trade-in on new acquisition, are transferred to the Purchasing Agent for timely redistribution and/or disposal in accordance with Sections 419 through 422 of the Administrative Code of the County of San Diego.
2. Auction Sales. Disposal of applicable County owned surplus personal property, including lost or abandoned personal property and forfeiture program assets transferred to the Purchasing Agent, shall normally be accomplished through public auction as the preferred method of sale whenever practical. Public Auctions shall include both the use of electronic commerce (on-line) and on site auctions. Auctions should be held in cooperation with other public agencies whenever possible to minimize expenses; maximize range of items to be sold; and to increase bidder participation.

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- a. All on site County sanctioned auctions shall be conducted by an auctioneer and/or auction company which are in compliance with California Civil Code 1812.600 et seq.
 - b. All County auctions shall be extensively advertised in appropriate news and industry/trade media.
 - c. Disposal of other than County-owned personal property, public or private and not under the supervision of the court, shall be accomplished through public auction.
3. Sales Proceeds. Proceeds from the sale of County owned personal property will be deposited to the County General Fund or other special fund owning the personal property. Personal property acquired using grant funds and which require sale proceeds to be returned to the grantor must be separately identified at time of transfer to the Purchasing Agent.
4. Sales to Federal, State and Local Municipalities and Governmental Agencies. When County departments and officials responsible for County owned personal property have declared an item surplus to the County's needs and the Purchasing Agent has determined that the item should be sold in accordance with current procedures, such items may be sold, by the Purchasing Agent, to municipalities and government agencies in accordance with the following guidelines. Prior to consummating any sale to a non-local (not located in County of San Diego) municipality or government agency, the Purchasing Agent shall ensure that right of first refusal for known requirements is offered to local governmental agencies including dependent and independent public safety agencies.
 - a. If the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$25,000, a negotiated sale may be conducted with the governmental agency and sale of the item concluded at the price determined to be fair and reasonable without competitive bids.
 - b. If the estimated fair market value, as determined by the Purchasing Agent, is greater than \$25,000 but does not exceed \$100,000, Chief Administrative Officer approval shall be obtained prior to any sale. Information provided to the Chief Administrative Officer shall, as a minimum, identify the government entity and the rationale behind the sale at that value.
 - c. If the estimated fair market value, as determined by the Purchasing Agent, is greater than \$100,000 or the sale price is less than the determined fair market value, Board

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of Supervisors approval shall be obtained prior to any sale. Information provided to the Board of Supervisors shall, as a minimum, identify the government entity and the rationale behind the sale at that value.

- d. For those fixed assets (including fixed assets acquired using grant funds and which require sale proceeds to be returned to the grantor), and for which proceeds from the sale will be deposited to a special fund, the concurrence of the department or agency having custody or management control of respective fund/grant shall be obtained prior to consummation of such sale under sub-paragraphs 4.a. through 4.c. above.

5. Sales to Republic of Mexico Municipalities and Government Agencies. When County departments and officials responsible for County owned personal property have declared an item surplus to the County's needs and the Purchasing Agent has determined that the item should be sold in accordance with current procedures, such item may be sold to Republic of Mexico municipalities and/or government agencies under the following guidelines:

- a. The Republic of Mexico municipality and/or governmental agency shall forward to the Purchasing Agent, a written official request which provides the following information:
 1. Name and address of municipality or governmental agency.
 2. Name and telephone number of responsible official who can consummate a resulting sale agreement and sign appropriate sale documents.
 3. Description and quantity of surplus personal property items desired.
 4. Statement as to how the items requested will be used by the requesting municipality or governmental agency.
- b. If the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$100,000, Chief Administrative Officer approval shall be obtained. Information provided to the Chief Administrative Officer shall, as a minimum, identify the government entity and the rationale behind the sale at that value. Prior to consummating any sale to a Republic of Mexico municipality and/or governmental agency, the Purchasing Agent shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent agencies.
- c. If the estimated fair market value, as determined by the Purchasing Agent, is greater than \$100,000 or the recommended sale price is less than the determined fair market

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value, Board of Supervisors approval shall be obtained. Information provided to the Board of Supervisors shall, as a minimum, identify the government entity and the rationale behind the sale at that value. Prior to consummating any sale to a Republic of Mexico municipality and/or governmental agency, the Purchasing Agent shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent public safety agencies.

- d. For those items (fixed assets, including fixed assets acquired using grant funds and which require sale proceeds to be returned to the grantor) for which proceed from the sale will be deposited to a special fund, the concurrence of the department or agency having custody or management control of respective fund/grant shall be obtained prior to consummation of such sale under sub-paragraphs 5.b. and 5.c. above.

6. Donations and Sales of County Owned Surplus Personal Property at Less Than Determined Fair Market Value to Public Safety Agencies Located in San Diego County.

- a. The requesting public safety agency shall forward to the Purchasing Agent a written donation request, approved by its governing board, which includes the following minimum information:
 - 1. Name and address of public safety agency.
 - 2. Name and telephone number of responsible official who will accept the donation, if approved, and sign appropriate donation documents.
 - 3. Description and quantity of surplus personal property items desired.
 - 4. Statement as to how the items requested will be used by the requesting public safety agency.
- b. Donation or sale at less than fair market value of County owned personal property items requested by a public safety agency located in San Diego County may be approved by the Purchasing Agent when the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$1000.
- c. Donation or sale at less than fair market value of County owned personal property items requested by public safety agencies located in San Diego County may be approved by the Chief Administrative Officer when the estimated fair market value, as determined by the Purchasing Agent, does not exceed \$10,000.
- d. Donation or sale at less than fair market value of County owned personal property items requested by public safety agencies located in San Diego County requires

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Board of Supervisors approval when the estimated fair market value, as determined by the Purchasing Agent, exceeds \$10,000.

- e. The Purchasing Agent will provide public safety agencies located in San Diego County with notice of each scheduled public cooperative auction of surplus vehicles and equipment.

7. Donation of County Owned Surplus Personal Property Determined to be Unsalable. Items of County owned personal property that are restricted from sale by law, regulation or code and items of County owned personal property determined to be unsalable after an attempt at sale through prescribed procedures may be donated to charitable organizations in lieu of discarding such property. For the purpose of this policy, charitable organizations shall mean a non-profit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C. 501 (C) (3), whose primary purpose is public service or a Republic of Mexico registered public organization promoting economic and social well-being in the border region.

8. Household Toxics Program (HTP). Disposition of recyclable or reusable latex paint collected at San Diego County HTP events shall normally be accomplished through the donation sale process. Sale proceeds shall be deposited in a special fund and applied as an offset to the HTP costs.

9. Donation of recyclable and reusable latex paint may be made to federal, state, and local municipalities, governmental agencies, community groups, graffiti eradication program administrators, and Republic of Mexico municipalities and governmental agencies under the following guidelines:

- a. The requesting entity shall forward to the Director, Department of Environmental Health, a written donation request which includes the following minimum information:
 - 1. Name and address of requesting entity.
 - 2. Name and telephone number of responsible official who will accept the donation, if approved, and sign appropriate donation documents.
 - 3. Description and quantity of recyclable or reusable latex paint desired.
 - 4. Statement as to how the paint requested will be used by the requesting entity.

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5. Statement that the requesting entity acknowledges that the recyclable or reusable latex paint is accepted with the understanding that it comes without any warranty expressed or implied.

- b. Donation of recyclable and reusable latex paint requested by federal, state, and local municipalities and governmental agencies, community groups, or graffiti eradication program administrators may be approved by the Director, Department of Environmental Health provided the total quantity requested does not exceed one thousand (1,000) gallons per donation.
- c. Donation of recyclable and reusable latex paint requested by Republic of Mexico municipalities and governmental agencies may be approved by the Director, Department of Environmental Health provided the total quantity requested does not exceed one thousand (1,000) gallons per donation. The Director, Department of Environmental Health shall ensure that right of first refusal for known requirements is offered to local governmental agencies, including dependent and independent public safety agencies, prior to consummating any donation to Republic of Mexico municipalities and/or governmental agencies.
- d. Donation requests exceeding one thousand (1,000) gallons shall be approved by the Chief Administrative Officer. Information provided to the Chief Administrative Officer, as a minimum, should include that information included in the written donation request and rationality of the quantity requested.
- e. The Director, Department of Environmental Health is authorized to sell recyclable and reusable latex paint to the general public. The Director, Department of Environmental Health shall establish the sale price of the recyclable and reusable latex paint. Resulting sale revenue shall be applied as an offset to costs incurred by the HTP in administering the donation and sale of recyclable and reusable latex paint. The Director, Department of Environmental Health may also utilize auctions, held by the Purchasing Agent in cooperation with other public agencies, to dispose of recyclable or reusable latex paint.

10. Transfer of surplus computer assets. Departments that have computer assets that are no longer needed may transfer them to the San Diego Futures Foundation pursuant to Section 422 of the Administrative Code. The Purchasing Agent may provide approval electronically.

The requesting Department, upon approval of the list, transfer the assets to the Foundation and update inventories in accordance with Administrative Code Section 422

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and Chief Administrative Officer Administrative Manual Items 0050-02-1 regarding fixed assets and minor equipment.

Exceptions

1. Disposition of waste, scrap, and County owned personal property for which disposition processes are otherwise covered under law, regulation, code or Board of Supervisors' Policy are exempted from this policy.
2. Disposal of County owned recyclable products such as used and waste tires, lead-acid batteries, oil, wood pallets, scrap metal, etc., shall be accomplished through the use of term contracts, trade-in or other means established by the Purchasing Agent utilizing the competitive bid process. Commodity indices, industry practices and other business and economic factors should be used as guidelines in determining the disposal process method to be applied.
3. County library materials such as newspapers, books, magazines, periodicals, videocassettes, compact discs (CD's) etc., may be disposed of by public sale conducted by the County Library and/or Friends of the Library.
4. Departments and officials responsible for monitoring use and disposal of personal property under their custody may seek the Board of Supervisors approval for an exception to this policy when it is in the best interest of the County.

References/Related Policies

California Government Code, Division 2, Chapter 5, Article 7, (Beginning with Sections 25503-25507 – Trade-in and Disposition of Surplus Personal Property).

California Civil Code, 1812.600 et. seq.

California Civil Code, Section 2080 et. seq. – Lost and Unclaimed Property

California Health and Safety Code, Division 10, Chapter 8, (Beginning at Section 11470 – Seizure and Disposition)

California Health and Safety Code, Division 20, Chapter 6.5, (Beginning at Section 25100 – Hazardous Waste Control)

California Penal Code, Section 1417 et. seq. – Disposition of Evidence in Criminal Cases

California Penal Code, Section 12028 – Nuisance Weapons Violations Constituting Surrender and Resale of Destruction of Firearms Used in Commission of Crime

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California Penal Code, Section 12032 – Firearms Sold or Destroyed – Not Applicable to Department of Fish and Game Code of Regulatory County Ordinances, Title 6, Division 8, Chapter 12, (Beginning at Section 78-101 – Abandoned Vehicle Abatement)

Administrative Code, Section 65 – Lost or Abandoned Personal Property

Administrative Code, Section 66.1 – Sheriff’s Asset Forfeiture Program

Administrative Code, Section 66.2 – District Attorney Asset Forfeiture Program

Administrative Code, Section 66.3 – Marshal Asset Forfeiture Program

Administrative Code, Section 66.4 – Chief Probation Officer Asset Forfeiture Program

Administrative Code, Section 397 – Public Administrator and Public Guardian

Administrative Code, Section 420 – Report of Personal Property No Longer Needed By a County Department

Administrative Code, Section 421– Acquisition of Excess Property From Director of Purchasing and Contracting

Administrative Code, Section 422 – Disposal of Personal Property No Longer Needed by County

Administrative Code, Section 427 – Services Provided to, Obtain From, or In Cooperation With Other Public Entities.

Administrative Code, Section 440 – Sale of Unclaimed Property in Possession of the Sheriff

Administrative Code, Section 440.1 – Excepted Property

Board of Supervisors, Policy H-12 – County-Wide Silver Recovery Program

Board of Supervisors, Policy K-6 – Loan of County Property to Non-County Activities

Internal Revenue Code, 26 U.S.C. 501 (C) (3)

Chief Administrative Officer Administrative Manual Items 0050-02-1

Sunset Date

This policy will be reviewed for continuance by 12-31-08.

Board Action

02-27-01

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08-17-82 (2)
10-30-84 (102)
12-15-87 (32)
08-06-91 (30)
12/8/98 (53)
3-12-2002 (10)

CAO Reference

1. Department of Purchasing and Contracting
2. Public Administrator